

position, which they were to lose when the spice trade moved to Antwerp and Lisbon, and were not to recover till the creation of a railway system in the nineteenth century made Germany again the entrepôt between western Europe and Russia, Austria, Italy and the Near East. But the expansion of commerce, which brought affluence to the richer *bourgeoisie*, had been accompanied by the growth of an acute social *malaise*, which left its mark on literature and popular agitation, even before the Discoveries turned Germany from a highway into a back-water. The economic aspect of the development was the rise to a position of overwhelming pre-eminence of the new interests based on the control of capital and credit. In the earlier Middle Ages capital had been the adjunct and ally of the personal labour of craftsman and artisan. In the Germany of the fifteenth century, as long before in Italy, it had ceased to be a servant and had become a master. Assuming a separate and independent vitality, it claimed the right of a predominant partner to dictate economic organization in accordance with its own exacting requirements.

Under the impact of these new forces, while the institutions of earlier ages survived in form, their spirit and operation were transformed. In the larger cities the guild organization, once a barrier to the

encroachments of the capitalist, became one of the instruments which he used to consolidate his power. The rules of fraternities masked a division of the brethren into a plutocracy of merchants, sheltered behind barriers which none but the wealthy craftsman could scale, and a wage-earning proletariat, dependent for their livelihood on capital and credit supplied by their masters, and alternately rising in revolt and sinking in an ever-expanding morass of hopeless pauperism.¹¹ The peasantry suffered equally from the spread of a commercial civilization into the rural districts and from the survival of ancient agrarian servitudes. A?